



State Capitol | Lansing, Michigan 48913
PH (517) 373.1758 | FAX (517) 373.0938
www.senate.michigan.gov/gop/senator/cassis/

FOR IMMEDIATE RELEASE:
Friday June 13, 2003

CONTACT: Lisa Posthumus
517-373-1758

Cassis: Michigan on the Brink of a Balanced Budget

GOP Plan Balances Budget Without Raising Taxes

LANSING – Senator Nancy Cassis (R-Novi) announced that the state can achieve its budget priorities without raising taxes under a GOP Senate plan to balance Michigan's \$38 billion annual budget.

"We have a plan that will balance this budget, and we will do it without raising taxes," said Cassis, chair of the Senate Finance Committee. "From the very beginning, Senate Republicans vowed to hold the line on taxes because we want Michigan businesses to be competitive and we want Michigan families to keep more of their hard-earned money."

Senate Republicans have crafted a budget that fills revenue voids between what Governor Granholm proposed in March and the actual sources for those funds. That gap of \$731 million has been a major point of disagreement between Republicans and the Democrat governor. The Senate plan includes a surplus of \$171 million.

The Senate proposal balances the budget using a combination of new revenue sources, funding adjustments, and a portion of the emergency budget aid for states signed into law by Present Bush. The Senate balances the budget through the following revenue sources:

- \$19 million in Tax Policy Changes (Governor's Proposal)
- \$75 million from the Driver Responsibility Program (Senate Proposal)
- \$40 million from Claim It Correctly Program (Senate Proposal)
- \$120 million in new fees and fee increases (Governor's Proposal)
- \$167 million from Federal budget aid to fund Education Deficit (Senate Proposal)
- \$250 million in concessions from state employees, specifically foregoing a planned 3 percent pay increase in 2004 (Governor's Proposal)

Cassis agrees with Senate Majority Leader Ken Sikkema (R-Wyoming) that \$171 million surplus

(MORE)

from the remaining Federal emergency budget aid should go to the state Budget Stabilization Fund, where it can help ensure Michigan's continued top bond rating and would be available to shore up unforeseen future funding shortfalls.

"We have an excellent opportunity to balance the budget, hold the line on taxes, and put some money away for a rainy day," Cassis said.

The Senate will take up the GOP proposed budget solutions next week with House and Senate budget conference committees hammering out final details in the following week.

#####